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October 25, 1999

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: In the Matter of 1998 Biennial Regulatory Review -- Review of  
Accounts Settlement in the Maritime Mobile and Maritime Mobile-  
Satellite Radio Services and Withdrawal of the Commission as an  
Accounting Authority in the Maritime Mobile and Maritime Mobile-  
Satellite Radio Services  
IB Docket No. 98-96

Dear Ms. Salas:

Enclosed please find an original and nine copies of the COMMENTS OF  
COMSAT CORPORATION in the above-referenced proceeding. An additional copy is  
attached. Please date-stamp this copy and return it to the courier.

Please direct any questions to the undersigned.

Respectfully submitted,

Bruce A. Henoch  
General Attorney

Enclosures

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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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In the Matter of )  
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Mobile-Satellite Radio Services and )  
Withdrawal of the Commission as an )  
Accounting Authority in the Maritime )  
Mobile and Maritime Mobile-Satellite )  
Radio Services )

IB Docket No. 98-96

**COMMENTS OF COMSAT CORPORATION**

COMSAT Corporation, through its COMSAT Mobile Communications business unit ("COMSAT"), hereby files its Comments in the above-referenced proceeding. For the reasons set forth below, COMSAT urges the Commission to adopt a transition period of no less than four years for its withdrawal as an accounting authority.

**Introduction**

COMSAT filed comments in the earlier round of this proceeding in which it recommended that the Commission refrain from withdrawing as an accounting authority ("AA") due to the tremendous risk of disruption to maritime mobile satellite service that such a withdrawal would entail.<sup>1</sup> While this view was shared by all of the other parties filing comments, the Commission nonetheless concluded that its withdrawal as an AA was both

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<sup>1</sup> Comments of COMSAT Corporation, Docket No. 98-96, filed Aug. 24, 1998.

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feasible and desirable, and it decided to withdraw after an appropriate transition period.<sup>2</sup> The Commission issued a Further Notice of Proposed Rulemaking seeking comment on the manner and length of this transition. It is in response to this Further Notice that COMSAT files these comments.

It is extremely important for the Commission to adopt procedures that will minimize the impact of its withdrawal on the many mobile communications users that currently rely on the Commission's AA services. The overwhelming majority of U.S. mobile satellite service users, from small individually-owned yachts and fishing boats to large multi-ship merchant fleets to all U.S. government users, rely on the Commission to provide AA services, and the Commission as an AA plays a key role in the operation of the Global Maritime Distress and Safety System ("GMDSS"). Due to the Commission's unique and widespread role as the U.S. "default" AA, it is not an overstatement to say that the Commission's withdrawal, if not performed carefully and methodically in a way that will provide adequate notice to all affected users of both the timing and the implications of the Commission's action, could have catastrophic consequences. It is COMSAT's recommendation, which we believe is shared by the largest U.S. government users of mobile communications services, that the Commission adopt a transition period of no less than four years. While COMSAT acknowledges the Commission's desire to withdraw in an

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<sup>2</sup> *In the Matter of 1998 Biennial Regulatory Review -- Review of Accounts Settlement in the Maritime Mobile and Maritime Mobile-Satellite Services and Withdrawal of the Commission as an Accounting Authority in the Maritime Mobile and Maritime Mobile-Satellite Radio Services*, Report and Order and Further Notice of Proposed Rulemaking, IB Docket No. 98-96, FCC 99-150 (released July 13, 1999) ("Further Notice").

expeditious manner, the importance of the AA system to maritime safety and coordination means that a transition that is not handled appropriately could very well result in disaster.<sup>3</sup>

### **Discussion**

#### **1. The Commission Should Not Require Users to Select Accounting Authorities on a Per-Call Basis.**

The Commission in the Further Notice first requests comments on whether it should appoint an accounting authority “of last resort” to replace this function currently provided by the Commission AA. COMSAT agrees with the Commission’s tentative conclusion that it should not designate an AA of last resort. However, we do not agree with the Commission that customers should be required to designate an AA for each call. All Inmarsat customers must select an AA when the terminals are commissioned.<sup>4</sup> Even if Inmarsat users could do so on a per-call basis, such a requirement would be impractical and would only complicate a system that is already confusing to many users. It would make it much more difficult if not impossible for AAs and land earth station operators (“LESOs”) to track invoices and calls and to establish credit and other types of relationships with customers. It is difficult enough with the present AA system -- where each terminal is assigned *one* AA -- to ensure proper billing and collection. A system where AAs were assigned on a per-call basis would mean that each customer could

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<sup>3</sup> The Commission acknowledges several times in the Further Notice that the Commission’s withdrawal as an AA could have serious implications for safety of life at sea. For example, the Commission states that its withdrawal “could have a deleterious effect on safety communications unless the Commission takes care to ensure a seamless transition to new accounting authorities.” Further Notice at ¶ 27. In addition, the Commission recognizes that failure to ensure a smooth transition could result in many Inmarsat terminals being “barred” from using the system, and the Commission correctly notes that a ship that has been barred is a hazard to itself and others. *See* Further Notice at ¶ 28.

<sup>4</sup> Alternatively, Inmarsat customers may select an Inmarsat Service Provider (“ISP”), which limits the user to one or more specified land earth station operators.

potentially have *numerous* AAs, and this could throw an already complex billing system into chaos. Many customers, particularly operators of small individually-owned vessels, may not fully understand the AA concept, and it would therefore behoove the Commission to keep the process as simple as possible.

The preferred solution would be to simply require users to select new AAs on a permanent basis. Such a requirement, coupled with a massive and detailed notification campaign by the Commission, would help ensure that users do not inadvertently lose service. The Commission correctly notes in the Further Notice that the fact that the Commission has acted as an AA of last resort has made it unnecessary for most users to know or select an AA. In fact, COMSAT believes that many users do not even fully understand the AA concept, and the transition period will also have to take into account the fact that the Commission may have to provide “basic” types of information to communications users.

## **2. The Commission Should Adopt At Least a Four-Year Transition Period.**

For this and other reasons discussed below, COMSAT does not believe that the Commission’s proposed three-year transition period is sufficient to ensure a smooth transition to a system of only private AAs. Based upon COMSAT’s experiences as well as those of its customers, a four-year transition is the absolute minimum that should be considered by the Commission. Many of these experiences relate to use of Inmarsat terminals by COMSAT’s U.S. government customers, which make up the single largest segment of Inmarsat users.

The first issue, which is shared by many government (and some non-government) users, is that internal processes often make it difficult to track the use of individual terminals. While most government agencies have a centralized “point of contact” for procurement and activation of Inmarsat terminals, it is frequently difficult for the agencies accurately to monitor use once the

terminals are entered into service. Terminals often change hands within agencies (and often from agency to agency in environments such as embassies where agencies share facilities), and it is most often the case that there is no centralized process for coordinating the use of and billing for these terminals. In particular, most agencies do not have centralized billing systems; instead, billing is made to individual offices and bureaus. As terminals change hands more and more often, billing and payment can become difficult to track. Because the government agencies all use the Commission's AA, however, there is some measure of internal control. The transition to private AAs, on the other hand, will require agencies to revise and update their procedures, including the need to sort through numerous records, locate far-flung users of terminals, advise users of the implications of the transition, update account records, pay all outstanding invoices, and ensure that each terminal is assigned a valid private AA. COMSAT's government customers, primarily those that operate Inmarsat terminals in the thousands, have advised COMSAT that three years is simply not sufficient time to accomplish all of these tasks. At least four years -- and possibly longer -- will be required.

The second issue of particular interest to government users is cost. As the Commission is aware, U.S. government users do not currently pay the Commission for AA services. Thus, no provision for such expenses is included in agency budgets. Because of the extended planning period involved in the development of agency budgets, many of COMSAT's government customers have advised that they will require at least four years in order to plan for and budget the funds that will be required to pay a private accounting authority. According to these users, a three-year transition will not provide sufficient time to take the required actions.

Third, many of COMSAT's government customers have expressed concern about whether they will be required to obtain AA services through a centralized procurement process

or if agency-by-agency selection of private AAs will be permitted. It is apparent that the needs of one agency may differ quite starkly from the needs of another, and several of COMSAT's customers have expressed concerns about being forced to use the services of a private AA that is not suitable to the agency's mission. According to these users, sufficient time must be allowed for these types of issues to be resolved.

In addition to the needs and concerns of COMSAT's U.S. government customers, COMSAT is convinced that a three-year transition period is simply not enough time to complete the Herculean task of notifying and providing for the smooth transition of the many thousands of various Inmarsat customers subject to U.S. jurisdiction. As COMSAT indicated in its initial comments in this proceeding, fully 75 percent of U.S.-licensed Inmarsat terminals use the Commission's AA services. A very large number of these terminals are used by small and relatively unsophisticated users who, although they rely on these terminals as their sole link to safety, may not fully understand the implications of the Commission's actions. Because of the vital role that Inmarsat terminals play in distress and safety at sea, it is imperative that the Commission err on the side of caution in providing for a transition period. It is far preferable for the Commission to extend its AA service an extra year or two and ensure a seamless transition than to rush the transition period and needlessly place lives at risk.

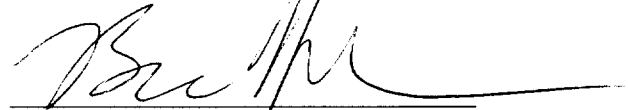
### **Conclusion**

For the reasons discussed herein, it is vitally important that the Commission implement a sound transition plan that provides sufficient time to ensure that users, both government and non-government, are able to understand fully the implications of the Commission's actions and to act

accordingly. The Commission should not allow a desire for administrative expediency to outweigh the many potential harms that may result should the Commission adopt a transition period that rushes this extremely important process.

Respectfully submitted,

COMSAT Corporation  
COMSAT Mobile Communications

A handwritten signature in black ink, appearing to read 'Bruce A. Henoch', is written over a horizontal line.

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October 25, 1999